



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 10, 2011

David Penney
Penney's Gemstones, LLC
2400 East 30 South
P.O. Box 312
Beaver, Utah 84713-0312

Subject: Deficient Amended Notice of Intention to Commence Small Mining Operations,
Penney's Gemstones, LLC, White Tiger Quarry, S/027/0093, Millard County, Utah

Dear Mr. Penney:

On November 4, 2010, the Division received your Application to Revise a Notice of Intention to Commence Small Mining Operations (NOI), as requested by the Division. On the small mining operation NOI forms you submitted, you correctly identify the School and Institutional Trust Lands Administration (SITLA) as the land and mineral owner at this site. However, additional information is lacking, and the following items will need to be provided before the NOI can be approved:

1. A general location map at a scale of about 1"=2000' identifying the route used to access the site. The maps in your existing NOI do not have enough information for a person to arrive at your mine.
2. An operations map (approx. 1"=200'). The maps in your existing NOI on file with the Division are faded copies of an older map, and do not show all required information. The operations map should identify:
 - the total area currently disturbed, plus any areas which are planned for disturbance in this amendment,
 - the location of any existing or proposed operations, including access roads, excavations, and other disturbances for which the operator is (or will be) responsible, and
 - any disturbance for which the operator is not responsible.
3. Name and contact information of the first member and/or manager or the LLC (page 2).
4. Your signature on your most recent NOI paperwork submitted in November.

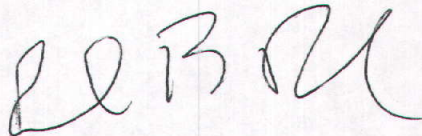


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Also, be advised that in your NOI, only information regarding the "location, size, and nature of the mineral deposit" that you specifically identify as such will be kept confidential by the Division (R647-3-119). Active disturbance at a mine site is not understood by the Division to be the same as a mineral deposit. Let us know if you have any specific concerns with this matter.

We would be glad to meet with you to discuss these issues or any others related to this or your other mine sites. If you have any questions regarding this letter, or if you would like to arrange a meeting, please call me at 801-538-5261 or Peter Brinton at 801-538-5258. In reply, please refer to file number S/027/0093. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "PBB" followed by a stylized flourish.

Paul B. Baker
Minerals Program Manager

PBB: pnb, eb
cc: Jerry Mansfield, BLM-Fillmore
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